

AMENDED IN SENATE APRIL 1, 2002
AMENDED IN SENATE MARCH 21, 2002

SENATE BILL

No. 1236

Introduced by Senator Alarcon

January 7, 2002

An act to amend Sections 11550, 11552, 12800, and 12803 of, to add Section 12813 to, and to add Part 8.5 (commencing with Section 15550) to Division 3 of Title 2 of, the Government Code, to amend Sections 50 and 1141 of, and to add Sections 18.5 and 19.5 to, the Labor Code, and to amend Section 301 of the Unemployment Insurance Code, relating to governmental reorganization.

LEGISLATIVE COUNSEL'S DIGEST

SB 1236, as amended, Alarcon. Labor and Workforce Development Agency.

(1) Existing law does not provide for the establishment of a Labor and Workforce Development Agency in state government.

This bill would create a Labor and Workforce Development Agency in state government consisting of the Department of Industrial Relations, the Employment Development Department, the Agricultural Labor Relations Board, and the Workforce Development ~~Investment~~ Board. The agency would be under the supervision of the Secretary of Labor and Workforce Development who would be appointed by the Governor, subject to confirmation by the Senate.

(2) Existing law provides for the Director of Industrial Relations to receive an annual salary of \$91,054, as adjusted.

This bill instead would provide for the director to receive an annual salary of \$85,402, as adjusted.

(3) This bill would make conforming changes and other related changes in governmental reorganization of state agencies.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11550 of the Government Code is
2 amended to read:

3 11550. Effective January 1, 1988, an annual salary of
4 ninety-one thousand fifty-four dollars (\$91,054) shall be paid to
5 each of the following:

- 6 (a) Director of Finance.
- 7 (b) Secretary of Business, Transportation and Housing.
- 8 (c) Secretary of Resources.
- 9 (d) Secretary of ~~the California~~ Health and Human Services
10 Agency.
- 11 (e) Secretary of State and Consumer Services.
- 12 (f) Commissioner of the California Highway Patrol.
- 13 (g) Secretary of Youth and Adult Correctional Agency.
- 14 (h) Secretary of Food and Agriculture.
- 15 (i) Secretary of Technology, Trade, and Commerce.
- 16 (j) Secretary of Veterans Affairs.
- 17 (k) Secretary of Labor and Workforce Development.

18 The annual compensation provided by this section shall be
19 increased in any fiscal year in which a general salary increase is
20 provided for state employees. The amount of the increase provided
21 by this section shall be comparable to, but shall not exceed, the
22 percentage of the general salary increases provided for state
23 employees during that fiscal year.

24 SEC. 2. Section 11552 of the Government Code is amended
25 to read:

26 11552. Effective January 1, 1988, an annual salary of
27 eighty-five thousand four hundred two dollars (\$85,402) shall be
28 paid to each of the following:

- 29 (a) Commissioner of Financial Institutions.
- 30 (b) Commissioner of Corporations.
- 31 (c) Insurance Commissioner.
- 32 (d) Director of Transportation.
- 33 (e) Real Estate Commissioner.

- 1 (f) Director of Social Services.
- 2 (g) Director of Water Resources.
- 3 (h) Director of Corrections.
- 4 (i) Director of General Services.
- 5 (j) Director of Motor Vehicles.
- 6 (k) Director of the Youth Authority.
- 7 (l) Executive Officer of the Franchise Tax Board.
- 8 (m) Director of Employment Development.
- 9 (n) Director of Alcoholic Beverage Control.
- 10 (o) Director of Housing and Community Development.
- 11 (p) Director of Alcohol and Drug Abuse.
- 12 (q) Director of the Office of Statewide Health Planning and
- 13 Development.
- 14 (r) Director of the Department of Personnel Administration.
- 15 (s) Chairperson and Member of the Board of Equalization.
- 16 ~~(t) Secretary of Technology, Trade, and Commerce.~~
- 17 (u) Director of Health Services.
- 18 (v) Director of Mental Health.
- 19 (w) Director of Developmental Services.
- 20 (x) State Public Defender.
- 21 (y) Director of the California State Lottery.
- 22 (z) Director of Fish and Game.
- 23 (aa) Director of Parks and Recreation.
- 24 (ab) Director of Rehabilitation.
- 25 (ac) Director of Veterans Affairs.
- 26 (ad) Director of Consumer Affairs.
- 27 (ae) Director of Forestry and Fire Protection.
- 28 (af) The Inspector General pursuant to Section 6125 of the
- 29 Penal Code.
- 30 (ag) Director of Child Support Services.
- 31 (ah) Director of Industrial Relations.
- 32 The annual compensation provided by this section shall be
- 33 increased in any fiscal year in which a general salary increase is
- 34 provided for state employees. The amount of the increase provided
- 35 by this section shall be comparable to, but shall not exceed, the
- 36 percentage of the general salary increases provided for state
- 37 employees during that fiscal year.
- 38 SEC. 3. Section 12800 of the Government Code is amended
- 39 to read:

1 12800. There are in the state government the following
2 agencies: State and Consumer Services; Business, Transportation
3 and Housing; California Environmental Protection; California
4 Health and Human Services; Labor and Workforce Development;
5 Resources; Technology, Trade, and Commerce; and Youth and
6 Adult Correctional.

7 Whenever the term “Agriculture and Services Agency”
8 appears in any law, it means the “State and Consumer Services
9 Agency,” and whenever the term “Secretary of Agriculture and
10 Services Agency” appears in any law, it means the “Secretary of
11 State and Consumer Services.”

12 Whenever the term “Business and Transportation Agency”
13 appears in any law, it means the “Business, Transportation and
14 Housing Agency,” and whenever the term “Secretary of the
15 Business and Transportation Agency” appears in any law, it means
16 the “Secretary of Business, Transportation and Housing.”

17 Whenever the term “Health and Welfare Agency” appears in
18 any law, it means the “California Health and Human Services
19 Agency,” and whenever the term “Secretary of the Health and
20 Welfare Agency” appears in any law, it means the “Secretary of
21 California Health and Human Services.”

22 SEC. 4. Section 12803 of the Government Code is amended
23 to read:

24 12803. (a) The California Health and Human Services
25 Agency consists of the following departments: Health Services;
26 Mental Health; Developmental Services; Social Services; Alcohol
27 and Drug Abuse; Aging; Rehabilitation; and Community Services
28 and Development.

29 (b) The agency also includes the Office of Statewide Health
30 Planning and Development and the State Council on
31 Developmental Disabilities.

32 (c) The Department of Child Support Services is hereby
33 created within the agency commencing January 1, 2000, and shall
34 be the single organizational unit designated as the state’s Title
35 IV-D agency with the responsibility for administering the state
36 plan and providing services relating to the establishment of
37 paternity or the establishment, modification, or enforcement of
38 child support obligations as required by Section 654 of Title 42 of
39 the United States Code. State plan functions shall be performed by



1 other agencies as required by law, by delegation of the department,
2 or by cooperative agreements.

3 SEC. 5. Section 12813 is added to the Government Code, to
4 read:

5 12813. The Labor and Workforce Development Agency
6 consists of the Department of Industrial Relations, the
7 Employment Development Department, the Agricultural Labor
8 Relations Board, and the Workforce ~~Development~~ *Investment*
9 Board.

10 SEC. 6. Part 8.5 (commencing with Section 15550) is added
11 to Division 3 of Title 2 of the Government Code, to read:

12
13 PART 8.5. LABOR AND WORKFORCE DEVELOPMENT
14 AGENCY

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16 CHAPTER 1. GENERAL PROVISIONS

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18 15550. As used in this part, “agency” and “secretary” refer
19 to the Labor and Workforce Development Agency and the
20 Secretary of Labor and Workforce Development, respectively,
21 unless the context otherwise requires.

22 15551. (a) The Labor and Workforce Development Agency
23 in state government is under the supervision of an executive officer
24 known as the Secretary of Labor and Workforce Development.
25 The secretary shall be appointed by the Governor, subject to
26 confirmation by the Senate, and shall hold office at the pleasure of
27 the Governor.

28 (b) The annual salary of the secretary is provided for by
29 Chapter 6 (commencing with Section 11550) of Part 1.

30 15552. (a) The Governor shall appoint an Undersecretary of
31 Labor and Workforce Development and five assistant secretaries
32 assigned to programmatic areas, as determined by the Governor.

33 (b) The undersecretary and the assistant secretaries shall serve
34 at the pleasure of the secretary.

35 15553. Before entering upon the duties of office, the secretary
36 shall execute an official bond to the state in the penal sum of fifty
37 thousand dollars (\$50,000) conditioned upon the faithful
38 performance of those duties.
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CHAPTER 2. DUTIES

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3 15554. The secretary has the power of general supervision
4 over, and is directly responsible to the Governor for, the operations
5 of each department, office, and unit within the agency. The
6 secretary may issue those orders as the secretary deems
7 appropriate to exercise any power or jurisdiction, or to assume or
8 discharge any responsibility, or to carry out or effect any of the
9 purposes vested by law in any department in the agency. However,
10 *except with respect to the Workforce Investment Board*, nothing in
11 this part authorizes the secretary to exercise any power or
12 jurisdiction, assume or discharge any responsibility, or carry out
13 or effect any of the purposes vested by other provisions of law in
14 any board, commission, council, or other appointive multimember
15 body that is organizationally located within the Labor and
16 Workforce Development Agency or within any of its departments.
17 15555. The secretary shall advise the Governor on, and assist
18 the Governor in, establishing major policy and program matters
19 affecting each department, office, or other unit within the agency,
20 and shall serve as the principal communication link for the
21 effective transmission of policy problems and decisions between
22 the Governor and each department, office, or other unit.
23 15556. The secretary shall exercise the authority vested in the
24 Governor in respect to the functions of each department, office, or
25 other unit within the agency, including the adjudication of
26 conflicts between or among the departments, offices, or other
27 units, and shall represent the Governor in coordinating the
28 activities of each department, office, or other unit within the
29 agency with those of other agencies, whether federal, state, or
30 local.
31 15557. The secretary shall be generally responsible for the
32 sound fiscal management of each department, office, or other unit
33 within the agency. The secretary shall review and approve the
34 proposed budget of each department, office, or other unit. The
35 secretary shall hold the head of each department, office, or other
36 unit responsible for management control over the administrative,
37 fiscal, and program performance of his or her department, office,
38 or other unit. The secretary shall review the operations and
39 evaluate the performance at appropriate intervals of each
40 department, office, or other unit, and shall seek continually to



1 improve the organizational structure, the operating policies, and
2 the management information systems of each department, office,
3 or other unit.

4 15558. The secretary shall develop and report to the Governor
5 on legislative, budgetary, and administrative programs to
6 accomplish comprehensive, long-range, coordinated planning and
7 policy formulation in the matters of public interest related to the
8 agency. To accomplish this end, the secretary may hold public
9 hearings, consult with and use the services and cooperation of
10 other state agencies, employ staff and consultants, and appoint
11 advisory and technical committees to assist in the work.

12 15559. For the purpose of administration, the secretary shall
13 review the organization of the agency and report to the Governor
14 on changes necessary to segregate and conduct the work of the
15 agency.

16 15560. The secretary and any other officer or employee
17 within the agency designated in writing by the secretary shall have
18 the power of a head of a department pursuant to Article 2
19 (commencing with Section 11180) of Chapter 2 of Part 1.

20 15561. Whenever a power is granted to the secretary, the
21 power may be exercised by an officer or employee within the
22 agency as designated in writing by the secretary.

23 SEC. 7. Section 18.5 is added to the Labor Code, to read:

24 18.5. "Agency" means the Labor and Workforce
25 Development Agency.

26 SEC. 8. Section 19.5 is added to the Labor Code, to read:

27 19.5. "Secretary" means the Secretary of Labor and
28 Workforce Development.

29 SEC. 9. Section 50 of the Labor Code is amended to read:

30 50. There is in the Labor and Workforce Development
31 Agency the Department of Industrial Relations.

32 SEC. 10. Section 1141 of the Labor Code is amended to read:

33 1141. (a) There is hereby created in the Labor and Workforce
34 Development Agency the Agricultural Labor Relations Board,
35 which shall consist of five members.

36 (b) The members of the board shall be appointed by the
37 Governor with the advice and consent of the Senate. The term of
38 office of the members shall be five years, and the terms shall be
39 staggered at one-year intervals. Upon the initial appointment, one
40 member shall be appointed for a term ending January 1, 1977, one

1 member shall be appointed for a term ending January 1, 1978, one
2 member shall be appointed for a term ending January 1, 1979, one
3 member shall be appointed for a term ending January 1, 1980, and
4 one member shall be appointed for a term ending January 1, 1981.
5 Any individual appointed to fill a vacancy of any member shall be
6 appointed only for the unexpired term of the member to whose
7 term he or she is succeeding. The Governor shall designate one
8 member to serve as chairperson of the board. Any member of the
9 board may be removed by the Governor, upon notice and hearing,
10 for neglect of duty or malfeasance in office, but for no other cause.

11 SEC. 11. Section 301 of the Unemployment Insurance Code
12 is amended to read:

13 301. There is in the Labor and Workforce Development
14 Agency the Employment Development Department, which is
15 vested with the duties, purposes, responsibilities, and jurisdiction
16 heretofore exercised by the State Department of Benefit Payments
17 or the California Health and Human Services Agency with respect
18 to job creation activities. The Employment Development
19 Department shall be administered by an executive officer known
20 as the Director of Employment Development who is vested with
21 the duties, purposes, responsibilities, and jurisdiction heretofore
22 exercised by the Director of Benefit Payments with respect to the
23 following functions:

24 (a) Job creation activities.

25 (b) Making manual computations and making or denying
26 recomputations of the amount and duration of benefits.

27 (c) Determination of contribution rates and the administration
28 and collection of contributions, penalties and interest, ~~including~~
29 ~~but not limited to~~ *including, but not limited to*, filing and releasing
30 liens.

31 (d) Establishment, administration, and transfer of reserve
32 accounts.

33 (e) Making assessments and the administration of credits and
34 refunds.

35 (f) Approving elections for coverage or for financing
36 unemployment and disability insurance coverage.

37 SEC. 12. Notwithstanding Section 11552 of the Government
38 Code, the person appointed and serving as the Director of
39 Industrial Relations as of January 1, 2003, shall retain the annual

- 1 salary prescribed by Section 11550 of the Government Code for
- 2 the duration of his or her term of office.

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